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**To: EPA Officials Broyles Ragan, Jim Staves,
and Steve Mason
Dallas, Texas**

From: Steven Pedigo – CEO OSEI

Date: December 16, 2011

Dear Sirs:

It is 5:00 PM central standard time on December 16, 2011 and I have not received a response from my email to you addressing your request for a meeting to, as you said, discuss “concerns, and to determine our path moving forward”.

I responded on November 23rd, 2011 to your emailed request dated November 18, 2011 to establish some dates for a meeting, stating that we could meet on December 14, 15, or 16, 2011. That provided 24 days notice of potentially acceptable dates. I asked you for an itinerary of the meeting to be sent to me a minimum of five days prior to the acceptable date. I assume that, despite your request for a meeting, there was no real intention to follow through with that as I have received no response to my email.

When I first read your letter of November 18, 2011, it appeared to me to bear remarkable resemblance to a statement made by Jim Makris, an EPA official and Co-Chair of the NRT (EPA’s National Response Team) in front of the EPA and RRT 6 (EPA’s Regional Response Team 6) in San Antonio in 2000. Jim stated at that time that, after 11 years of us trying to get OSE II pre approved, he thought it was time to move forward. Again, that was 11 years ago. As you can see, your current email (11

years later) shows there was no movement forward, and you were now making a similar statement. It has now been over 22 years that I as an individual and OSEI as a corporation have been requesting pre approval status for the product OSE II and still no movement forward and no valid scientific reason ever provided as to why.

It is conceivable that whoever helped develop the email you sent to me knew in February of 2011 that Dana Tulis of the EPA responded to a cease and desist letter I wrote to Sam Coleman in your Dallas EPA headquarters and EPA Rep to the RRT6 earlier this year. Dana Tulis stated:

"OEM is interested in meeting with you to discuss the results of demonstrations and uses of OSE II and to discuss the Agency's effort to revise the requirements under Subpart J of the National Contingency Plan. Please contact Craig Matthiessen of my Office, at 202-564-8016, to discuss a meeting and to address any additional questions you may have."

I never contacted Mr. Matthiessen as Dana Tulis had asked me to do, because I thought it would be, yet, another, waste of time. As I exposed in a letter to NOAA's Charlie Henry on January 26th, 2011, he and Sam Coleman have used verbal innuendo and supposition to wrongfully mischaracterize, prevent and avoid authorization of OSE II for utilization on the BP Deepwater Horizon oil spill. Had I not been willing to meet with you, per your request, I suspect that someone from the EPA would have tried to use that as an excuse to justify "not being able to act" on the formal request I sent to EPA/RRT 6 on July 1, 2011 for immediate authorization and/or pre approval.

Again, should there be a serious interest to do so on your part, I would be happy to meet to discuss this. However, it seemed out of the ordinary that you wanted to spend time with me re-developing a protocol for the use of bioremediation that you admitted has already been developed by other RRT's. And even more strange since the NRT developed a bioremediation protocol in 1992 for the EPA at great taxpayer expense, which I subsequently provided to you for your information. After 22 years, this did not appear to be forward motion as promised by your letter and request to meet.

In my response to your email of November 18, 2011 in which, per your request, I offered up dates that we could meet. I suspect that the reason why the EPA (Ragan Broyles, Jim Staves, Steve Mason) never responded to my willingness to meet, per their request, was based on my statement in the email that the meeting had no bearing on my July 1st, 2011 formal request for pre approval. And let me reiterate here, that request stands and I still want an answer immediately.

[OSEI's formal request](#) is problematic for the EPA since EPA's Sam Coleman and NOAA's Charlie Henry, for some unexplained reason, tried to wrongfully block OSE II by engaging in the spreading of disinformation about the product. The formal request with the submission of over 350 pages of test data (much of which are tests done by the EPA itself) and extensive successful field use of OSE II has proven that there is no scientific reason not to use OSE II. In your original email to me, you stated you wanted to meet and find a pathway forward; yet now you will not respond to move forward. Even your letter of August 24, 2011 to Steven Pedigo OSEI Corporation, which inaccurately quoted 40 CFR, mandates that you do exactly what I was requesting you to do.

There is a point I want to make here of importance in the history of OSEI's repeated attempts over the past 21 years to receive authorization for use of OSE II on an oil spill on U.S. navigable waters. Despite the fact that OSE II has gone through the rigorous, expensive and redundant testing demanded of it to be on and stay on the EPA's National Contingency Plan Product Schedule, and the fact that it has shown to be a superlative method of oil spill cleanup, it has never been allowed for use in U.S. navigable waters, with only one exception: EPA used it to clean up the large spill on the Osage Indian Reservation in 2004 that it had not been able to clean up for 2 years until they finally resorted to OSE II, which then cleaned up 100% of the spill in a matter of weeks. Our first formal request for the authorization of OSE II was put in writing to Eric Brethauer of the EPA on February 9, 1990. There have been numerous and repeated subsequent requests for authorization and/or pre approval of OSE II since then, and, to date, there has been no movement forward. In fact, the EPA has developed quite a track record of mischaracterizing OSE II, adding arbitrary hurdles to overcome, performing nefarious acts to block OSE II, and just ignoring our requests over the last 21 years.

You were sent the OSEI letter titled *Economic Comparison* that actually compared OSE II to Exxon's horribly toxic "Corexit dispersants as well as mechanical clean up methods. Comparisons were based on efficacy of clean up, levels of toxicity, human health consequences, natural resource damages, litigation, and costs. The document shows neither Corexit dispersant or mechanical clean up (booms and skimmers) are comparable in any way to the effectiveness and safety of OSE II. Yet the EPA and specific individuals within it are the reason OSE II is not being utilized. By ignoring scientific evidence that your protocols are inadequate and advocating a single dispersant product proven to be toxic and harmful to life while ignoring safer and more effective solutions you have violated the Clean Water Act, violated the EPA's charter and mission statement. The EPA as an agency and key EPA officials are standing squarely in the way of oil spill clean up and by so doing are allowing massive amounts of unnecessary environmental destruction to occur.

I am attaching several documents. One is based on EPA numbers regarding how many gallons of water a gallon or liter of oil will pollute. The Gulf of Mexico has approximately 634 quadrillion gallons of water and, as of early December 2011, the

EPA and specific executives within it have allowed, through your ineffective, destructive and inadequate cleanup response methods, the BP Deepwater Horizon (DWH) spill to pollute 0.067% of this entire body of water (the 6th largest body of water in the world). As you may know, 0.06 ppm of PAH's cause adverse health effects to humans.

I have been in contact with expert economists and have received one document that shows the spill is causing the Gulf states to lose revenues and property values of approximately \$122 billion a year; and this number is extremely conservative. It can easily be demonstrated that the ongoing spill is costing the Gulf states \$500 billion a year in lost revenue, diminishing property values, other loss to all the peripheral associated businesses that have been economically damaged, and increased drain on the public health system from all of the people who are getting sick and those who will get sick in the future from exposure to the carcinogenic, mutagenic and teratogenic elements in the dispersed oil.

The economic numbers show the current loss; however, it is estimated through numerous reports that the spill has leaked approximately 2,000,000 gallons of oil a day and has never stopped. On several places on the Internet there is a video showing a third BP well where there is an enormous crater leaking oil. There are numerous ex BP oil spill responders that have stated there is a trench southwest of the well with 80 to 100 feet of oil laying in it, and, per University of Southern Florida scientists, we know there are several inches of oil laying on the Gulf's continental shelf further endangering the U.S. Gulf state's natural resources. What you have as of October 31, 2011 is approximately 1 billion gallons of oil spilled. Some of the oil is going south to the trench and heading southwest towards Mexico with reports from Mexican officials of their shorelines being devastated by the ongoing DWH oil spill. Some of the oil is coming ashore in the U.S., and enormous amounts of oil are in the water column destroying the marine life and fisheries.

The ongoing spill has been estimated in reports to be capable of leaking for the next 20 to 30 years, portending massive natural resource damages. And, while this environmental disaster of epic proportions continues, the EPA knows of an utterly effective, relatively inexpensive method of oil spill cleanup which has absolutely no toxic "tradeoffs" or negative side effects; and you are actively blocking its use. What kind of environmental protection is that?

Possibly the economic implications and impacts of your decision to pre-approve the use of Corexit may lead to a new look at OSE II.

As OSE II costs \$2 for every gallon of oil spilled, if there are 2 million gallons of oil still gushing into Gulf waters per day (as has been reported), that means that for far

far less than the cost of Corexit (which does not clean up the oil) and other methods based on current established protocols OSE II can return the area outside of an approximate 5 mile radius of the leaking well(s) and seabed fissures to pre spill conditions while containing within that 5-mile radius the ongoing spewing oil, and minimizing the oil's impact from the second it releases into the environment.

So, for approximately \$3.5 billion a year, you can restore an absolute minimum of \$122 billion in revenues. This is an acceptable trade, \$4 billion for \$122 billion and up in revenues (full economic study is available upon request) In other words, if the EPA allowed OSE II to be implemented at or near the beginning of this disaster, the cost would have only been \$400 million to contain the oil within a small finite area around the wellhead, resulting in *no* damage to Gulf state shorelines. The cost of continuing to contain the oil in the geographic area around the wellhead until the mechanical means to plugging the unnatural seepage created by the disaster can be figured out would have been a fraction of the cleanup cost and ensuing economic losses caused by the EPA's decision to allow its ongoing inadequate response and use of toxic chemical dispersants. The tax implications of losing \$122 billion in taxable revenue is a shocking reality of how damaging the EPA's actions have been, and continue to be, for the U.S. Government.

One of the most compelling reasons to immediately authorize OSE II for the BP DWH spill is that good people are being needlessly hurt from your unjustifiable decision to not immediately authorize OSE II.

As you know the responsible party, BP, requested the use of OSE II in field tests in one of the hardest hit areas - Bay Jimmy; Governor Jindal tried to get OSE II field demonstrated before the oil hit the LA mainland; the Coast Guard letter from their Research and Development center in Groton, CN stated that they should take action with OSE II; three state senators requested the use of OSE II; the city of Destin, FL formally requested the use of OSE II; LA DEQ requested the demonstration of OSE II. These requests to the EPA were either ignored, or verbally denied through inaccurate supposition and innuendo. DOI performed a test earlier this year comparing OSE II, Exxon's toxic Corexit dispersants 9527a and 9500, and mechanical clean up methods, proving OSE II was the most efficient clean up method/product; and in every case the finger points directly to the EPA actively blocking the use of the world's most efficient, non toxic, safest (for humans, marine species, and wildlife) means to address 100% of the BP DWH ongoing oil spill.

With this much destruction raging through the Gulf, it is time for the EPA to stop using unscientific supposition, false innuendo, mischaracterizations, misinformation and nefarious acts against OSE II. It is time to send a document immediately authorizing the utilization of OSE II by BP or the effected Gulf states in order for them to be able to protect and restore their natural resources.

Once again I will await the document authorizing OSE II from the EPA/RRT 6, and, if you still want to meet and discuss the redundant protocol, I am willing; just let me know.

Sincerely,

Steven Pedigo

CEO/Chairman OSEI Corporation

P.S. Given the track record of response to my official requests, I have decided to info copy several investigative journalists and media outlets on our correspondence going forward to make this a matter of public record in defense of the victims of this disaster. Additionally, so there can be no misunderstandings, I have attached documents that support my statements herein.

ATTACHMENTS/DOCUMENTATION:

1. 7/1 [OSEI's formal request](#) to EPA RRTs from CEO OSEI
2. 8/24 RRT 6 Response to OSEI CEO Formal Pre-Approval Request
3. OSEI CEO Response to 8/24 RRT 6 Response
4. Meeting Request from RRT 6 Reps 18/11
5. OSEI CEO Reply to 18/11 RRT 6 Meeting Request
6. No Response from RRT 6 to attachment 5 prompting this letter.
7. Historical Perspective and other Documentation:
 - a. 2004 EPA Meeting, Congressman Pete Sessions (Historical Perspective)
 - b. 1990, OSEI Corporation, First Formal Request to EPA, Eric Bretthauer
 - c. Economic Impact/Contamination Calculations Worksheet
 - d. Economic Comparison Paper
 - e. OSE II Third Party Endorsements/Scientific Testing